

13-23-6 Exemptions from bond, letter of credit, or certificate of deposit requirement.

A health spa that offers no paid-in-full membership, but only memberships paid for by installment contracts is exempt from the application of Subsections 13-23-5(2) through (5) if:

- (1) each contract contains the following clause: "If this health spa ceases operation and fails to offer an alternate location within five miles, no further payments under this contract shall be due to anyone, including any purchaser of any note associated with or contained in this contract.";
- (2) all payments due under each contract, including down payments, enrollment fees, membership fees, or any other payments to the health spa, are in equal monthly installments spread over the entire term of the contract; and
- (3) the term of each contract is clearly stated and is not capable of being extended.

Amended by Chapter 47, 2006 General Session